GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:2683
ANSWERED ON:10.08.2005
CONVERSION OF BULK TERMINAL AT JAWAHARLAL NEHRU PORT
Patel Shri Kishanbhai Vestabhai;Tripathy Shri Braja Kishore

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government has signed an agreement to convert the existing bulk terminal at Jawaharlal Nehru Port;

(b) if so, the details thereof;

(c) whether the handling facilities at the port will increase as a result thereof;

(d) if so, the estimated cost of the project;

(e) the present status of the project; and

(f) the time by when the construction work is likely to be completed?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS(SHRI T.R. BAALU)

(a)&(b) Yes, Sir. The License Agreement was signed between the Jawaharlal Nehru Port Trust (Licensor) and Gateway Terminals India Pvt. Ltd. (Licensee), a company formed by the Maersk A/S − CONCOR consortium on 10th August, 2004. The Agreement envisages redevelopment of the existing bulk terminal at the port into a container terminal and its management and operation by the Licensee on Build, Operate and Transfer (BOT) basis for a term of 30 years. Development of the container terminal involves dismantling the existing bulk cargo handling structures and construction of the container terminal including civil works, installation of container handling equipments, development of back-up facilities, etc. In consideration of the License, the Licensee has made an upfront payment of Rs.15 crores and submitted the Performance Bank Guarantee of Rs.40 crores at the time of signing the License Agreement. Under the License Agreement, the Licensee is also required to pay annual lease charges during the license period for the Licensor's assets and Licensed premises handed over to the Licensee as per the rates indicated in the Agreement. In addition, the Licensee is required to pay to the Licensor 35.503% of its gross revenue from handling the containers at the container terminal during the term of the Agreement.

(c) Yes, Sir.

(d) Rs.900 crores.

(e) The Licensee has achieved financial closure. Existing bulk handling facilities have been dismantled. Ten percent construction work for wharf/berth, eight percent of pavement and rail works and thirteen percent of building works have been completed.

(f) As per the License Agreement, the terminal is required to be operational by August, 2006.